## Colorado Legislative Council Staff FISCAL IMPACT STATEMENT

**Date:** August 29, 2006 **Fiscal Analyst**: Gary J. Estenson — 303-866-4976

BALLOT TITLE: An amendment to the Colorado constitution concerning standards of conduct by persons who are professionally involved with governmental activities, and, in connection therewith, prohibiting a public officer, member of the general assembly, local government official, or government employee from soliciting or accepting certain monetary or in-kind gifts; prohibiting a professional lobbyist from giving anything of value to a public officer, member of the general assembly, local government official, government employee, or such person's immediate family member; prohibiting a statewide elected officeholder or member of the general assembly from personally representing another person or entity for compensation before any other such officeholder or member for a period of two years following departure from office; establishing penalties for a breach of public trust or inducement of such a breach; creating a five-member independent ethics commission to hear ethics complaints, to assess penalties, and to issue advisory opinions on ethics issues; and specifying that the measure shall not apply to home rule jurisdictions that have adopted laws concerning matters covered by the measure.

## **Summary of Amendment**

Under current law, Colorado elected officials cannot accept gifts of money in any amount or office equipment, supplies, or services valued at more than \$50 from any person in connection with the elected official's public duties. Gifts that are allowed must be reported to the Colorado Secretary of State. Amendment 41 expands these restrictions to cover other gifts and things of value and extends the prohibition to most state and local government employees.

Amendment 41 also creates an independent ethics commission. The commission consists of five members: one each appointed by the senate, house of representatives, governor, chief justice of the supreme court, and local governments. The local government appointee must be either a local government official or local government employee and no more than two members of the commission can be of the same political party.

The purpose of the commission is to investigate allegations of misconduct against a state or local government official or employee, other standards of conduct, and other reporting requirements. The commission has the authority to subpoena documents and persons, hear complaints, issue rulings and findings, assess penalties, and issue advisory opinions.

## **State Revenues**

This amendment gives the commission the authority to assess penalties against state and local government officials and employees but does not specify fine or penalty amounts. Many of the actions prohibited by this amendment are currently prohibited by law and state personnel rules and are subject to fines and penalties. Consequently, revenue in excess of the amount currently collected

from civil penalties is anticipated to be minimal. Revenue from civil penalties not otherwise appropriated is credited to the General Fund. Due to the time needed to appoint commissioners, hire staff and hear cases, it is likely that revenue from penalties will not be received until FY 2007-08.

## **State Expenditures**

Amendment 41 requires the legislature to appropriate funds to cover state and administrative expenses of the commission. The increase in state spending will depend on the timing of commission appointments and the level of staffing, equipment, supplies, and office space needed for the commission to fulfill its constitutional obligations. Costs could be incurred as early as FY 2006-07 and would be ongoing.

Members of the commission shall serve without compensation but the legislature is required to appropriate funds necessary to cover staff and administrative expenses to support commission activities. Several other states have ethics commissions with responsibilities similar to that proposed in Amendment 41. Typically, other state commissions employ an executive director, staff attorneys, investigators, and administrative support personnel. Necessary office space, equipment, and supplies will be based on staffing levels and by the commission responsibilities.